
PRELIMINARY DRAFT

No. 3069

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2006 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 4-4; IC 4-6-12-4; IC 4-22-2-37.1; IC 5-1-17-18; IC 5-10-1.7-2; IC 5-13-12-7; IC 5-14-3-4; IC 5-20; IC 6-1.1-10-16.7; IC 6-3.1-9; IC 8-9.5-9-2; IC 8-14.5-7-1; IC 9-21-5-2; IC 23-2-5-19; IC 24-4.5-1-202; IC 24-9; IC 34-30-2-15; IC 36-7.5-4-3.

Synopsis: Bond issuing entities. Corrects references to the following bond issuing entities that were abolished or merged into other entities by SEA 578-2005: (1) The housing finance authority (renamed the housing and community development authority). (2) The transportation finance authority (merged with the finance authority). (3) The development finance authority (merged with the finance authority).

Effective: July 1, 2006.



A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-4-11-15, AS AMENDED BY P.L.232-2005, SECTION 3, AND AS AMENDED BY P.L.235-2005, SECTION 19, IS CORRECTED AND AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 15. (a) The authority is granted all powers necessary or appropriate to carry out and effectuate its public and corporate purposes under *this chapter, IC 4-4-21, and IC 15-7-5, the affected statutes*, including but not limited to the following:

(1) Have perpetual succession as a body politic and corporate and an independent instrumentality exercising essential public functions.

(2) Without complying with IC 4-22-2, adopt, amend, and repeal bylaws, rules, *guidelines*, and ~~regulations~~ *policies* not inconsistent with *this chapter, IC 4-4-21, and IC 15-7-5, the affected statutes*, and necessary or convenient to regulate its affairs and to carry into effect the powers, duties, and purposes of the authority and conduct its business *under the affected statutes. These bylaws, rules, guidelines, and policies must be made by a resolution of the authority introduced at one (1) meeting and approved at a subsequent meeting of the authority.*

(3) Sue and be sued in its own name.

(4) Have an official seal and alter it at will.

(5) Maintain an office or offices at a place or places within the state as it may designate.

(6) Make, ~~and~~ *execute, and enforce* contracts and all other instruments necessary, ~~or~~ *convenient, or desirable* for the *performance of its duties and the exercise of its powers and functions under this chapter, IC 4-4-21, and IC 15-7-5, purposes of the authority or pertaining to:*

(A) *a purchase, acquisition, or sale of securities or other investments; or*

(B) *the performance of the authority's duties and execution of*



any of the authority's powers under the affected statutes.

(7) Employ architects, engineers, attorneys, inspectors, accountants, agriculture experts, silviculture experts, aquaculture experts, and financial experts, and such other advisors, consultants, and agents as may be necessary in its judgment and to fix their compensation.

(8) Procure insurance against any loss in connection with its property and other assets, including loans and loan notes in amounts and from insurers as it may consider advisable.

(9) Borrow money, make guaranties, issue bonds, and otherwise incur indebtedness for any of the authority's purposes, and issue debentures, notes, or other evidences of indebtedness, whether secured or unsecured, to any person, as provided by *this chapter*, ~~IC 4-4-21, IC 4-4-11.4 and IC 15-7-5~~, the affected statutes. Notwithstanding any other law, the:

(A) issuance by the authority of any indebtedness that establishes a procedure for the authority or a person acting on behalf of the authority to certify to the general assembly the amount needed to restore a debt service reserve fund or another fund to required levels; or

(B) execution by the authority of any other agreement that creates a moral obligation of the state to pay all or part of any indebtedness issued by the authority;

is subject to review by the budget committee and approval by the budget director.

(10) Procure insurance or guaranties from any public or private entities, including any department, agency, or instrumentality of the United States, for payment of any bonds issued by the authority or for reinsurance on amounts paid from the industrial development project guaranty fund, including the power to pay premiums on any insurance or reinsurance.

(11) Purchase, receive, take by grant, gift, devise, bequest, or otherwise, and accept, from any source, aid or contributions of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of *this chapter*, ~~IC 4-4-21~~, ~~and IC 15-7-5~~, the affected statutes, subject to the conditions upon which the grants or contributions are made, including but not limited to gifts or grants from any department, agency, or instrumentality of the United States, and lease or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with real or personal property or any interest in real or personal property, wherever situated, for any purpose consistent with *this chapter*, ~~IC 4-4-21~~, or ~~IC 15-7-5~~, the affected statutes.

(12) Enter into agreements with any department, agency, or instrumentality of the United States or this state and with lenders and enter into loan agreements, sales contracts, and leases with



contracting parties, including *participants (as defined in IC 13-11-2-151.1) for any purpose permitted under IC 13-18-13 or IC 13-18-21*, borrowers, lenders, developers, or users, for the purpose of planning, regulating, and providing for the financing and refinancing of any agricultural enterprise (as defined in IC 15-7-4.9-2), rural development project (as defined in IC 15-7-4.9-19.5), industrial development project, *purpose permitted under IC 13-18-13 and IC 13-18-21*, or international exports, and distribute data and information concerning the encouragement and improvement of agricultural enterprises and agricultural employment, rural development projects, industrial development projects, international exports, and other types of employment in the state undertaken with the assistance of the authority under this chapter.

(13) Enter into contracts or agreements with lenders and lessors for the servicing and processing of loans and leases pursuant to *this chapter, IC 4-4-21, and IC 15-7-5; the affected statutes.*

(14) Provide technical assistance to local public bodies and to profit and nonprofit entities in the development or operation of agricultural enterprises, rural development projects, and industrial development projects.

(15) To the extent permitted under its contract with the holders of the bonds of the authority, consent to any modification with respect to the rate of interest, time, and payment of any installment of principal or interest, or any other term of any contract, loan, loan note, loan note commitment, contract, lease, or agreement of any kind to which the authority is a party.

(16) To the extent permitted under its contract with the holders of bonds of the authority, enter into contracts with any lender containing provisions enabling it to reduce the rental or carrying charges to persons unable to pay the regular schedule of charges when, by reason of other income or payment by any department, agency, or instrumentality of the United States of America or of this state, the reduction can be made without jeopardizing the economic stability of the agricultural enterprise, rural development project, or industrial development project being financed.

(17) *Notwithstanding IC 5-13, but subject to the requirements of any trust agreement entered into by the authority, invest: any funds not needed for immediate disbursement; including any funds held in reserve; in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States; obligations issued by agencies of the United States; obligations of this state; or any obligations or securities which may from time to time be legally purchased by governmental subdivisions of this state pursuant to IC 5-13; or any obligations*



or securities which are permitted investments for bond proceeds or any construction, debt service, or reserve funds secured under the trust indenture or resolution pursuant to which bonds are issued.

(A) the authority's money, funds, and accounts;

(B) any money, funds, and accounts in the authority's custody; and

(C) proceeds of bonds or notes;

in the manner provided by an investment policy established by resolution of the authority.

(18) Fix and revise periodically, and charge and collect, fees and charges as the authority determines to be reasonable in connection with: ~~its~~

(A) the authority's loans, guarantees, advances, insurance, commitments, and servicing; and

(B) the use of the authority's services or facilities.

(19) Cooperate and exchange services, personnel, and information with any federal, state, or local government agency, or instrumentality of the United States or this state.

(20) Sell, at public or private sale, with or without public bidding, any loan or other obligation held by the authority.

(21) Enter into agreements concerning, and acquire, hold, and dispose by any lawful means, land or interests in land, building improvements, structures, personal property, franchises, patents, accounts receivable, loans, assignments, guarantees, and insurance needed for the purposes of ~~this chapter, IC 4-4-21, or IC 15-7-5; the affected statutes.~~

(22) Take assignments of accounts receivable, loans, guarantees, insurance, notes, mortgages, security agreements securing notes, and other forms of security, attach, seize, or take title by foreclosure or conveyance to any industrial development project when a guaranteed loan thereon is clearly in default and when in the opinion of the authority such acquisition is necessary to safeguard the industrial development project guaranty fund, and sell, or on a temporary basis, lease or rent such industrial development project for any use.

(23) Expend money, as the authority considers appropriate, from the industrial development project guaranty fund created by section 16 of this chapter.

(24) Purchase, lease as lessee, construct, remodel, rebuild, enlarge, or substantially improve industrial development projects, including land, machinery, equipment, or any combination thereof.

(25) Lease industrial development projects to users or developers, with or without an option to purchase.

(26) Sell industrial development projects to users or developers,



for consideration to be paid in installments or otherwise.

(27) Make direct loans from the proceeds of the bonds to users or developers for:

(A) the cost of acquisition, construction, or installation of industrial development projects, including land, machinery, equipment, or any combination thereof; or

(B) eligible expenditures for an educational facility project described in IC 4-4-10.9-6.2(a)(2);

with the loans to be secured by the pledge of one (1) or more bonds, notes, warrants, or other secured or unsecured debt obligations of the users or developers.

(28) Lend or deposit the proceeds of bonds to or with a lender for the purpose of furnishing funds to such lender to be used for making a loan to a developer or user for the financing of industrial development projects under this chapter.

(29) Enter into agreements with users or developers to allow the users or developers, directly or as agents for the authority, to wholly or partially construct industrial development projects to be leased from or to be acquired by the authority.

(30) Establish reserves from the proceeds of the sale of bonds, other funds, or both, in the amount determined to be necessary by the authority to secure the payment of the principal and interest on the bonds.

(31) Adopt rules *and guidelines* governing its activities authorized under *this chapter, IC 4-4-21, and IC 15-7-5, the affected statutes.*

(32) Use the proceeds of bonds to make guaranteed participating loans.

(33) Purchase, discount, sell, and negotiate, with or without guaranty, notes and other evidences of indebtedness.

(34) Sell and guarantee securities.

(35) Make guaranteed participating loans under IC 4-4-21-26.

(36) Procure insurance to guarantee, insure, coinsure, and reinsure against political and commercial risk of loss, and any other insurance the authority considers necessary, including insurance to secure the payment of principal and interest on notes or other obligations of the authority.

(37) Provide performance bond guarantees to support eligible export loan transactions, subject to the terms of *this chapter or IC 4-4-21, the affected statutes.*

(38) Provide financial counseling services to Indiana exporters.

(39) Accept gifts, grants, or loans from, and enter into contracts or other transactions with, any federal or state agency, municipality, private organization, or other source.

(40) Sell, convey, lease, exchange, transfer, or otherwise dispose of property or any interest in property, wherever the property is



- 1 located.
- 2 (41) Cooperate with other public and private organizations to
- 3 promote export trade activities in Indiana.
- 4 (42) Make guarantees and administer the agricultural loan and
- 5 rural development project guarantee fund established by
- 6 IC 15-7-5.
- 7 (43) Take assignments of notes and mortgages and security
- 8 agreements securing notes and other forms of security, and attach,
- 9 seize, or take title by foreclosure or conveyance to any
- 10 agricultural enterprise or rural development project when a
- 11 guaranteed loan to the enterprise or rural development project is
- 12 clearly in default and when in the opinion of the authority the
- 13 acquisition is necessary to safeguard the agricultural loan and
- 14 rural development project guarantee fund, and sell, or on a
- 15 temporary basis, lease or rent the agricultural enterprise or rural
- 16 development project for any use.
- 17 (44) Expend money, as the authority considers appropriate, from
- 18 the agricultural loan and rural development project guarantee
- 19 fund created by IC 15-7-5-19.5.
- 20 (45) Reimburse from bond proceeds expenditures for industrial
- 21 development projects under this chapter.
- 22 *(46) Acquire, hold, use, and dispose of the authority's income,*
- 23 *revenues, funds, and money.*
- 24 *(47) Purchase, acquire, or hold debt securities or other*
- 25 *investments for the authority's own account at prices and in a*
- 26 *manner the authority considers advisable, and sell or otherwise*
- 27 *dispose of those securities or investments at prices without*
- 28 *relation to cost and in a manner the authority considers*
- 29 *advisable.*
- 30 *(48) Fix and establish terms and provisions with respect to:*
- 31 *(A) a purchase of securities by the authority, including dates*
- 32 *and maturities of the securities;*
- 33 *(B) redemption or payment before maturity; and*
- 34 *(C) any other matters that in connection with the purchase are*
- 35 *necessary, desirable, or advisable in the judgment of the*
- 36 *authority.*
- 37 *(49) To the extent permitted under the authority's contracts with*
- 38 *the holders of bonds or notes, amend, modify, and supplement*
- 39 *any provision or term of:*
- 40 *(A) a bond, a note, or any other obligation of the authority; or*
- 41 *(B) any agreement or contract of any kind to which the*
- 42 *authority is a party.*
- 43 *(50) Subject to the authority's investment policy, do any act and*
- 44 *enter into any agreement pertaining to a swap agreement (as*
- 45 *defined in IC 8-9.5-9-4) related to the purposes of the affected*
- 46 *statutes in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7,*



whether the action is incidental to the issuance, carrying, or securing of bonds or otherwise.

~~(#6)~~ (51) Do any act necessary or convenient to the exercise of the powers granted by *this chapter, IC 4-4-21, or IC 15-7-5, the affected statutes*, or reasonably implied from those statutes, including but not limited to compliance with requirements of federal law imposed from time to time for the issuance of bonds.

(b) The authority's powers under this chapter shall be interpreted broadly to effectuate the purposes of this chapter and may not be construed as a limitation of powers. *The omission of a power from the list in subsection (a) does not imply that the authority lacks that power. The authority may exercise any power that is not listed in subsection (a) but is consistent with the powers listed in subsection (a) to the extent that the power is not expressly denied by the Constitution of the State of Indiana or by another statute.*

(c) This chapter does not authorize the financing of industrial development projects for a developer unless any written agreement that may exist between the developer and the user at the time of the bond resolution is fully disclosed to and approved by the authority.

(d) *The authority shall work with and assist the Indiana health and educational facility financing authority established by IC 5-1-16-2, the Indiana housing ~~finance~~ and community development authority established by IC 5-20-1-3, the Indiana port commission established under IC 8-10-1, and the state fair commission established by IC 15-1.5-2-1 in the issuance of bonds, notes, or other indebtedness. The Indiana health and educational facility financing authority, the Indiana housing ~~finance~~ and community development authority, the Indiana port commission, and the state fair commission shall work with and cooperate with the authority in connection with the issuance of bonds, notes, or other indebtedness.*

SECTION 2. IC 4-4-11.4-1, AS ADDED BY P.L.232-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. As used in this chapter, "authority" refers to the Indiana ~~development~~ finance authority.

SECTION 3. IC 4-4-11.5-6.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6.3. As used in this chapter, "~~HFA~~" "**IHCDA**" refers to the Indiana housing ~~finance~~ and **community development** authority established by IC 5-20-1.

SECTION 4. IC 4-4-11.5-7.5, AS AMENDED BY P.L.235-2005, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7.5. As used in this chapter, "issuer" means IFA, ~~HFA~~, **IHCDA**, ISMEL, a local unit, or any other issuer of bonds that must procure volume under the volume cap.

SECTION 5. IC 4-4-11.5-18, AS AMENDED BY P.L.235-2005, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 18. (a) The volume cap shall be allocated annually



among categories of bonds in accordance with section 19 of this chapter. Those categories are as follows:

- (1) Bonds issued by the IFA.
- (2) Bonds issued by the ~~HHFA~~ **IHCDA**.
- (3) Bonds issued by the ISMEL.
- (4) Bonds issued by local units or any other issuers not specifically referred to in this section whose bonds are or may become subject to the volume cap for projects described in:
 - (A) Division A - Agricultural, Forestry, and Fishing;
 - (B) Division B - Mining;
 - (C) Division C - Construction;
 - (D) Division D - Manufacturing;
 - (E) Division E - Transportation; and
 - (F) Division F - Wholesale Trade;

of the SIC Manual (or corresponding sector in the NAICS Manual), and any projects described in Section 142(a)(3), 142(a)(4), 142(a)(5), 142(a)(6), 142(a)(8), 142(a)(9), or 142(a)(10) of the Internal Revenue Code.

- (5) Bonds issued by local units or any other issuers not specifically referred to in this section whose bonds are or may become subject to the volume cap for projects described in:

- (A) Division G - Retail Trade;
- (B) Division H - Finance, Insurance, and Real Estate;
- (C) Division I - Services;
- (D) Division J - Public Administration; and
- (E) Division K - Miscellaneous;

of the SIC Manual (or corresponding sector in the NAICS Manual), and any projects described in Section 142(a)(7) or 144(c) of the Internal Revenue Code.

(b) For purposes of determining the SIC category of a facility, the determination shall be based upon the type of activity engaged in by the user of the facility within the facility in question, rather than upon the ultimate enterprise in which the developer or user of the facility is engaged.

SECTION 6. IC 4-4-11.5-19, AS AMENDED BY P.L.235-2005, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 19. (a) On or before January 1 of each year, the IFA shall determine the dollar amount of the volume cap for that year.

(b) Each year the volume cap shall be allocated among the categories specified in section 18 of this chapter as follows:

Type of Bonds	Percentage of Volume Cap
Bonds issued by the IFA	9%
Bonds issued by the HHFA IHCDA	28%
Bonds issued by the ISMEL	1%
Bonds issued by local units or other	



1 issuers under section 18(a)(3)
 2 of this chapter 42%
 3 Bonds issued by local units or other
 4 issuers under section 18(a)(4)
 5 of this chapter 20%

6 (c) Except as provided in subsection (d), the amount allocated to a
 7 category represents the maximum amount of the volume cap that will
 8 be reserved for bonds included within that category.

9 (d) The IFA may adopt a resolution to alter the allocations made by
 10 subsection (b) for a year if it determines that the change is necessary to
 11 allow maximum usage of the volume cap and to promote the health and
 12 well-being of the residents of Indiana by promoting the public purposes
 13 served by the bond categories then subject to the volume cap.

14 (e) The governor may, by executive order, establish for a year a
 15 different dollar amount for the volume cap, different bond categories,
 16 and different allocations among the bond categories than those set forth
 17 in or established under this section and section 18 of this chapter if it
 18 becomes necessary to adopt a different volume cap and bond category
 19 allocation system in order to allow maximum usage of the volume cap
 20 among the bond categories then subject to the volume cap and to
 21 promote the health, welfare, and well-being of the residents of Indiana
 22 by promoting the public purposes served by the bond categories then
 23 subject to the volume cap.

24 SECTION 7. IC 4-4-28-11, AS AMENDED BY P.L.235-2005,
 25 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 26 JULY 1, 2006]: Sec. 11. (a) Each community development corporation
 27 shall annually provide the Indiana housing **finance and community**
 28 **development** authority with information needed to determine:

- 29 (1) the number of accounts administered by the community
 30 development corporation;
 31 (2) the length of time each account under subdivision (1) has been
 32 established; and
 33 (3) the amount of money an individual has deposited into each
 34 account under subdivision (1) during the preceding twelve (12)
 35 months.

36 (b) The Indiana housing **finance and community development**
 37 authority shall use the information provided under subsection (a) to
 38 deposit the correct amount of money into each account as provided in
 39 section 12 of this chapter.

40 SECTION 8. IC 4-4-28-12, AS AMENDED BY P.L.235-2005,
 41 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2006]: Sec. 12. (a) The Indiana housing **finance and**
 43 **community development** authority shall allocate, for each account that
 44 has been established after June 30, 2001, for not more than four (4)
 45 years, including any time in which an individual held an individual
 46 development account under this chapter before July 1, 2001, three



dollars (\$3) for each one dollar (\$1) an individual deposited into the individual's account during the preceding twelve (12) months. However, the authority's allocation under this subsection may not exceed nine hundred dollars (\$900) for each account described in this subsection.

(b) Not later than June 30 of each year, the Indiana housing ~~finance~~ **and community development** authority shall deposit into each account established under this chapter the appropriate amount of money determined under this section. However, if the individual deposits the maximum amount allowed under this chapter on or before December 31 of each year, the individual may request in writing that the authority allocate and deposit the matched funds under subsection (a) into the individual's account not later than forty-five (45) days after the authority receives the written request.

(c) Money from a federal block grant program under Title IV-A of the federal Social Security Act may be used by the state to provide money under this section for deposit into an account held by an individual who receives assistance under IC 12-14-2.

SECTION 9. IC 4-4-28-15, AS AMENDED BY P.L.235-2005, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 15. (a) An individual must request and receive authorization from the community development corporation that administers the individual's account before withdrawing money from the account for any purpose.

(b) An individual who is denied authorization to withdraw money under subsection (a) may appeal the community development corporation's decision to the Indiana housing ~~finance~~ **and community development** authority under rules adopted by the authority under IC 4-22-2.

SECTION 10. IC 4-4-28-18, AS AMENDED BY P.L.235-2005, SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 18. (a) Each community development corporation shall annually:

(1) evaluate the individual development accounts administered by the community development corporation; and

(2) submit a report containing the evaluation information to the Indiana housing ~~finance~~ **and community development** authority.

(b) Two (2) or more community development corporations may work together in carrying out the purposes of this chapter.

SECTION 11. IC 4-4-28-21, AS AMENDED BY P.L.235-2005, SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 21. The Indiana housing ~~finance~~ **and community development** authority may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 12. IC 4-6-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) The following may cooperate



with the unit to implement this chapter:

- (1) The Indiana professional licensing agency and the appropriate licensing boards with respect to persons licensed under IC 25.
- (2) The department of financial institutions.
- (3) The department of insurance with respect to the sale of insurance in connection with mortgage lending.
- (4) The securities division of the office of the secretary of state.
- (5) The supreme court disciplinary commission with respect to attorney misconduct.
- (6) The Indiana housing ~~finance~~ **and community development** authority.
- (7) The department of state revenue.
- (8) The state police department.
- (9) A prosecuting attorney.
- (10) Local law enforcement agencies.
- (11) The department of commerce.

(b) Notwithstanding IC 5-14-3, the entities listed in subsection (a) may share information with the unit.

SECTION 13. IC 4-22-2-37.1, AS AMENDED BY P.L.235-2005, SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

- (1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.
- (2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- (3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.
- (4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.
- (5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.
- (6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.
- (7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.
- (8) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.
- (9) A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.
- (10) An emergency rule adopted by the Indiana ~~transportation~~



- 1 finance authority under IC 8-21-12.
- 2 (11) An emergency rule adopted by the insurance commissioner
- 3 under IC 27-1-23-7.
- 4 (12) An emergency rule adopted by the Indiana horse racing
- 5 commission under IC 4-31-3-9.
- 6 (13) An emergency rule adopted by the air pollution control board,
- 7 the solid waste management board, or the water pollution control
- 8 board under IC 13-15-4-10(4) or to comply with a deadline
- 9 required by federal law, provided:
- 10 (A) the variance procedures are included in the rules; and
- 11 (B) permits or licenses granted during the period the emergency
- 12 rule is in effect are reviewed after the emergency rule expires.
- 13 (14) An emergency rule adopted by the Indiana election
- 14 commission under IC 3-6-4.1-14.
- 15 (15) An emergency rule adopted by the department of natural
- 16 resources under IC 14-10-2-5.
- 17 (16) An emergency rule adopted by the Indiana gaming
- 18 commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
- 19 (17) An emergency rule adopted by the alcohol and tobacco
- 20 commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or
- 21 IC 7.1-3-20-24.4.
- 22 (18) An emergency rule adopted by the department of financial
- 23 institutions under IC 28-15-11.
- 24 (19) An emergency rule adopted by the office of the secretary of
- 25 family and social services under IC 12-8-1-12.
- 26 (20) An emergency rule adopted by the office of the children's
- 27 health insurance program under IC 12-17.6-2-11.
- 28 (21) An emergency rule adopted by the office of Medicaid policy
- 29 and planning under IC 12-15-41-15.
- 30 (22) An emergency rule adopted by the Indiana state board of
- 31 animal health under IC 15-2.1-18-21.
- 32 (23) An emergency rule adopted by the board of directors of the
- 33 Indiana education savings authority under IC 21-9-4-7.
- 34 (24) An emergency rule adopted by the Indiana board of tax review
- 35 under IC 6-1.1-4-34.
- 36 (25) An emergency rule adopted by the department of local
- 37 government finance under IC 6-1.1-4-33.
- 38 (26) An emergency rule adopted by the boiler and pressure vessel
- 39 rules board under IC 22-13-2-8(c).
- 40 (27) An emergency rule adopted by the Indiana board of tax review
- 41 under IC 6-1.1-4-37(l) or an emergency rule adopted by the
- 42 department of local government finance under IC 6-1.1-4-36(j) or
- 43 IC 6-1.1-22.5-20.
- 44 (28) An emergency rule adopted by the board of the Indiana
- 45 economic development corporation under IC 5-28-5-8.
- 46 (29) A rule adopted by the department of financial institutions



- 1 under IC 34-55-10-2.5.
- 2 (b) The following do not apply to rules described in subsection (a):
- 3 (1) Sections 24 through 36 of this chapter.
- 4 (2) IC 13-14-9.
- 5 (c) After a rule described in subsection (a) has been adopted by the
- 6 agency, the agency shall submit the rule to the publisher for the
- 7 assignment of a document control number. The agency shall submit the
- 8 rule in the form required by section 20 of this chapter and with the
- 9 documents required by section 21 of this chapter. The publisher shall
- 10 determine the number of copies of the rule and other documents to be
- 11 submitted under this subsection.
- 12 (d) After the document control number has been assigned, the agency
- 13 shall submit the rule to the secretary of state for filing. The agency shall
- 14 submit the rule in the form required by section 20 of this chapter and
- 15 with the documents required by section 21 of this chapter. The
- 16 secretary of state shall determine the number of copies of the rule and
- 17 other documents to be submitted under this subsection.
- 18 (e) Subject to section 39 of this chapter, the secretary of state shall:
- 19 (1) accept the rule for filing; and
- 20 (2) file stamp and indicate the date and time that the rule is
- 21 accepted on every duplicate original copy submitted.
- 22 (f) A rule described in subsection (a) takes effect on the latest of the
- 23 following dates:
- 24 (1) The effective date of the statute delegating authority to the
- 25 agency to adopt the rule.
- 26 (2) The date and time that the rule is accepted for filing under
- 27 subsection (e).
- 28 (3) The effective date stated by the adopting agency in the rule.
- 29 (4) The date of compliance with every requirement established by
- 30 law as a prerequisite to the adoption or effectiveness of the rule.
- 31 (g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6,
- 32 IC 22-8-1.1-16.1, and IC 22-13-2-8(c), and except as provided in
- 33 subsections (j) and (k), a rule adopted under this section expires not
- 34 later than ninety (90) days after the rule is accepted for filing under
- 35 subsection (e). Except for a rule adopted under subsection (a)(13),
- 36 (a)(24), (a)(25), or (a)(27), the rule may be extended by adopting
- 37 another rule under this section, but only for one (1) extension period.
- 38 The extension period for a rule adopted under subsection (a)(28) may
- 39 not exceed the period for which the original rule was in effect. A rule
- 40 adopted under subsection (a)(13) may be extended for two (2)
- 41 extension periods. Subject to subsection (j), a rule adopted under
- 42 subsection (a)(24), (a)(25), or (a)(27) may be extended for an unlimited
- 43 number of extension periods. Except for a rule adopted under
- 44 subsection (a)(13), for a rule adopted under this section to be effective
- 45 after one (1) extension period, the rule must be adopted under:
- 46 (1) sections 24 through 36 of this chapter; or



- 1 (2) IC 13-14-9;
 2 as applicable.
- 3 (h) A rule described in subsection (a)(6), (a)(8), (a)(12), or (a)(29)
 4 expires on the earlier of the following dates:
- 5 (1) The expiration date stated by the adopting agency in the rule.
 6 (2) The date that the rule is amended or repealed by a later rule
 7 adopted under sections 24 through 36 of this chapter or this
 8 section.
- 9 (i) This section may not be used to readopt a rule under IC 4-22-2.5.
- 10 (j) A rule described in subsection (a)(24) or (a)(25) expires not later
 11 than January 1, 2006.
- 12 (k) A rule described in subsection (a)(28) expires on the expiration
 13 date stated by the board of the Indiana economic development
 14 corporation in the rule.
- 15 SECTION 14. IC 5-1-17-18, AS ADDED BY P.L.214-2005,
 16 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2006]: Sec. 18. (a) Subject to subsection (h), the authority
 18 may issue bonds for the purpose of obtaining money to pay the cost of:
- 19 (1) acquiring real or personal property, including existing capital
 20 improvements;
 21 (2) constructing, improving, reconstructing, or renovating one (1)
 22 or more capital improvements; or
 23 (3) funding or refunding bonds issued under IC 36-10-8 or
 24 IC 36-10-9 or prior law.
- 25 (b) The bonds are payable from the lease rentals from the lease of the
 26 capital improvements for which the bonds were issued, insurance
 27 proceeds, and any other funds pledged or available.
- 28 (c) The bonds shall be authorized by a resolution of the board.
- 29 (d) The terms and form of the bonds shall either be set out in the
 30 resolution or in a form of trust indenture approved by the resolution.
- 31 (e) The bonds shall mature within forty (40) years.
- 32 (f) The board shall sell the bonds at public or private sale upon the
 33 terms determined by the board.
- 34 (g) All money received from any bonds issued under this chapter
 35 shall be applied to the payment of the cost of the acquisition or
 36 construction, or both, of capital improvements, or the cost of refunding
 37 or refinancing outstanding bonds, for which the bonds are issued. The
 38 cost may include:
- 39 (1) planning and development of the facility and all buildings,
 40 facilities, structures, and improvements related to it;
 41 (2) acquisition of a site and clearing and preparing the site for
 42 construction;
 43 (3) equipment, facilities, structures, and improvements that are
 44 necessary or desirable to make the capital improvement suitable
 45 for use and operations;
 46 (4) architectural, engineering, consultant, and attorney's fees;



- (5) incidental expenses in connection with the issuance and sale of bonds;
- (6) reserves for principal and interest;
- (7) interest during construction;
- (8) financial advisory fees;
- (9) insurance during construction;
- (10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and
- (11) in the case of refunding or refinancing, payment of the principal of, redemption premiums (if any) for, and interest on, the bonds being refunded or refinanced.

(h) The authority may not issue bonds under this chapter unless the authority first finds that the following conditions are met:

(1) Each contract or subcontract for the construction of a facility and all buildings, facilities, structures, and improvements related to that facility to be financed in whole or in part through the issuance of the bonds:

(A) requires payment of the common construction wage required by IC 5-16-7; and

(B) requires the contractor or subcontractor to enter into a project labor agreement as a condition of being awarded and performing work on the contract.

(2) The capital improvement board and the authority have entered into a written agreement concerning the terms of the financing of the facility. This agreement must include the following provisions:

(A) Notwithstanding any other law, if the capital improvement board selected a construction manager and an architect for a facility before May 15, 2005, the authority will contract with that construction manager and architect and use plans as developed by that construction manager and architect. In addition, any other agreements entered into by the capital improvement board or a political subdivision served by the capital improvement board with respect to the design and construction of the facility will be reviewed by a selection committee consisting of:

(i) two (2) of the members appointed to the board of directors of the authority under section 7(a)(1) of this chapter, as designated by the governor;

(ii) the two (2) members appointed to the board of directors of the authority under section 7(a)(2) of this chapter; and

(iii) the executive director of the authority.

The selection committee is not bound by any prior commitments of the capital improvement board or the political subdivision, other than the general project design, and will approve all contracts necessary for the design and construction of the facility.

(B) If before May 15, 2005, the capital improvement board



1 acquired any land, plans, or other information necessary for the
 2 facility and the board had budgeted for these items, the capital
 3 improvement board will transfer the land, plans, or other
 4 information useful to the authority for a price not to exceed the
 5 lesser of:

6 (i) the actual cost to the capital improvement board; or

7 (ii) three million five hundred thousand dollars (\$3,500,000).

8 (C) The capital improvement board agrees to take any legal
 9 action that the authority considers necessary to facilitate the
 10 financing of the facility, including entering into agreements
 11 during the design and construction of the facility or a sublease of
 12 a capital improvement to any state agency that is then leased by
 13 the authority to any state agency under section 26 of this chapter.

14 (D) The capital improvement board is prohibited from taking any
 15 other action with respect to the financing of the facility without
 16 the prior approval of the authority. The authority is not bound by
 17 the terms of any agreement entered into by the capital
 18 improvement board with respect to the financing of the facility
 19 without the prior approval of the authority.

20 (E) As the project financier, the Indiana ~~development~~ finance
 21 authority (or its successor agency) and the public finance
 22 director will be responsible for selecting all investment bankers,
 23 bond counsel, trustees, and financial advisors.

24 (F) The capital improvement board agrees to deliver to the
 25 authority the one hundred million dollars (\$100,000,000) that is
 26 owed to the capital improvement board, the consolidated city, or
 27 the county having a consolidated city pursuant to an agreement
 28 between the National Football League franchised professional
 29 football team and the capital improvement board, the
 30 consolidated city, or the county. This amount shall be applied to
 31 the cost of construction for the stadium part of the facility. This
 32 amount does not have to be delivered until a lease is entered into
 33 for the stadium between the authority and the capital
 34 improvement board.

35 (G) The authority agrees to consult with the staff of the capital
 36 improvement board on an as needed basis during the design and
 37 construction of the facility, and the capital improvement board
 38 agrees to make its staff available for this purpose.

39 (H) The authority, the county, the consolidated city, the capital
 40 improvement board and the National Football League franchised
 41 professional football team must commit to using their best
 42 efforts to assist and cooperate with one another to design and
 43 construct the facility on time and on budget.

44 (3) The capital improvement board and the National Football
 45 League franchised professional football team have entered into a
 46 lease for the stadium part of the facility that has been approved by



the authority and has a term of at least thirty (30) years.

SECTION 15. IC 5-10-1.7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. In addition to any other investment power given to a board, a board may invest as much of its trust funds as are not required for current disbursements in mortgage-backed bonds or notes issued by the Indiana housing ~~finance~~ **and community development** authority under IC 5-20-1.

SECTION 16. IC 5-13-12-7, AS AMENDED BY P.L.235-2005, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) The board for depositories shall manage and operate the insurance fund. All expenses incident to the administration of the fund shall be paid out of the money accumulated in it subject to the direction of the board for depositories.

(b) Effective January 1 and July 1 in each year, the board shall before those dates redetermine the amount of the reserve to be maintained by the insurance fund. The establishment or any change in the reserve for losses shall be determined by the board based on a study to be made or updated by actuaries, economists, or other consultants based on the history of losses, earnings on the funds, conditions of the depositories, economic conditions affecting particular depositories or depositories in general, and any other factors that the board considers relevant in making its determination. The reserve determined by the board must be sufficient to ensure the safekeeping and prompt payment of public funds to the extent they are not covered by insurance of any federal deposit insurance agency.

(c) At the end of each biennial period during which depositories have had public funds on deposit under this chapter and paid the assessments levied by the board, the board shall compute its receipts from assessments and all other sources and its expenses and losses and determine the profit derived from the operation of the fund for the period. Until the amount of the reserve for losses has been accumulated, all assessments levied for a biennial period shall be retained by the fund. The amount of the assessments, if any, levied by the board shall, to the extent the fund exceeds the reserve for losses at the end of a biennial period commencing July 1 of each odd-numbered year, be distributed to the depositories that had public funds on deposit during the biennial period in which the assessments were paid. The distribution shall be made to the respective depositories in the proportion that the total assessments paid by each depository during that period bears to the total assessments then paid by all depositories. A distribution to which any closed depository would otherwise be entitled shall be set off against any claim that the insurance fund may have against the closed depository.

(d) The board may invest, reinvest, and exchange investments of the insurance fund in excess of the cash working balance in any of the following:



(1) In bonds, notes, certificates, and other valid obligations of the United States, either directly or, subject to the limitations in subsection (e), in the form of securities of or other interests in an open-end no-load management-type investment company or investment trust registered under the provisions of the Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.).

(2) In bonds, notes, debentures, and other securities issued by a federal agency or a federal instrumentality and fully guaranteed by the United States either directly or, subject to the limitations in subsection (e), in the form of securities of or other interests in an open-end no-load management-type investment company or investment trust registered under the provisions of the Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.).

(3) In bonds, notes, certificates, and other valid obligations of a state or of an Indiana political subdivision that are issued under law, the issuers of which, for five (5) years before the date of the investment, have promptly paid the principal and interest on their bonds and other legal obligations.

(4) In bonds or other obligations of the Indiana finance authority issued under IC 4-13.5.

(5) In investments permitted the state under IC 5-13-10.5.

(6) In guarantees of industrial development obligations or credit enhancement obligations, or both, for the purposes of retaining and increasing employment in enterprises in Indiana, subject to the limitations and conditions set out in this subdivision, subsection (e), and section 8 of this chapter. An individual guarantee of the board under this subdivision must not exceed eight million dollars (\$8,000,000).

(7) In guarantees of bonds or notes issued under IC 5-1.5-4-1, subject to the limitations and conditions set out in subsection (e) and section 8 of this chapter.

(8) In bonds, notes, or other valid obligations of the Indiana finance authority that have been issued in conjunction with the authority's acquisition, development, or improvement of property or other interests for an industrial development project (as defined in IC 4-4-10.9-11) that the authority has undertaken for the purposes of retaining or increasing employment in existing or new enterprises in Indiana, subject to the limitations in subsection (e).

(9) In notes or other debt obligations of counties, cities, and towns that have been issued under IC 6-1.1-39 for borrowings from the industrial development fund under IC 5-28-9 for purposes of retaining or increasing employment in existing or new enterprises in Indiana, subject to the limitations in subsection (e).

(10) In bonds or other obligations of the Indiana housing ~~finance~~ **and community development** authority.

(e) The investment authority of the board under subsection (d) is



- 1 subject to the following limitations:
- 2 (1) For investments under subsection (d)(1) and (d)(2), the
- 3 portfolio of an open-end no-load management-type investment
- 4 company or investment trust must be limited to:
- 5 (A) direct obligations of the United States and obligations of a
- 6 federal agency or a federal instrumentality that are fully
- 7 guaranteed by the United States; and
- 8 (B) repurchase agreements fully collateralized by obligations
- 9 described in clause (A), of which the company or trust takes
- 10 delivery either directly or through an authorized custodian.
- 11 (2) Total outstanding investments in guarantees of industrial
- 12 development obligations and credit enhancement obligations under
- 13 subsection (d)(6) must not exceed the greater of:
- 14 (A) ten percent (10%) of the available balance of the insurance
- 15 fund; or
- 16 (B) fourteen million dollars (\$14,000,000).
- 17 (3) Total outstanding investments in guarantees of bond bank
- 18 obligations under subsection (d)(7) must not exceed the greater of:
- 19 (A) twenty percent (20%) of the available balance of the
- 20 insurance fund; or
- 21 (B) twenty-four million dollars (\$24,000,000).
- 22 (4) Total outstanding investments in bonds, notes, or other
- 23 obligations of the Indiana finance authority under subsection (d)(8)
- 24 may not exceed the greater of:
- 25 (A) fifteen percent (15%) of the available balance of the
- 26 insurance fund; or
- 27 (B) twenty million dollars (\$20,000,000).
- 28 However, after June 30, 1988, the board may not make any
- 29 additional investment in bonds, notes, or other obligations of the
- 30 Indiana finance authority issued under IC 4-4-11, and the board
- 31 may invest an amount equal to the remainder, if any, of:
- 32 (i) fifteen percent (15%) of the available balance of the
- 33 insurance fund; minus
- 34 (ii) the board's total outstanding investments in bonds, notes,
- 35 or other obligations of the Indiana finance authority issued
- 36 under IC 4-4-11;
- 37 in guarantees of industrial development obligations or credit
- 38 enhancement obligations, or both, as authorized by subsection
- 39 (d)(6). In such a case, the outstanding investments, as authorized
- 40 by subsection (d)(6) and (d)(8), may not exceed in total the greater
- 41 of twenty-five percent (25%) of the available balance of the
- 42 insurance fund or thirty-four million dollars (\$34,000,000).
- 43 (5) Total outstanding investments in notes or other debt obligations
- 44 of counties, cities, and towns under subsection (d)(9) may not
- 45 exceed the greater of:
- 46 (A) ten percent (10%) of the available balance of the insurance



1 fund; or

2 (B) twelve million dollars (\$12,000,000).

3 (f) For purposes of subsection (e), the available balance of the
4 insurance fund does not include the outstanding principal amount of
5 any fund investment in a corporate note or obligation or the part of the
6 fund that has been established as a reserve for losses.

7 (g) Except as provided in section 4 of this chapter, all interest and
8 other income earned on investments of the insurance fund and all
9 amounts collected by the board accrue to the fund.

10 (h) Members of the board and any officers or employees of the board
11 are not subject to personal liability or accountability by reason of any
12 investment in any of the obligations listed in subsection (d).

13 (i) The board shall, when directed by the state board of finance
14 constituted by IC 4-9.1-1-1, purchase the loan made by the state board
15 of finance under IC 4-10-18-10(i). The loan shall be purchased by the
16 board at a purchase price equal to the total of:

17 (1) the principal amount of the loan;

18 (2) the deferred interest payable on the loan; and

19 (3) accrued interest to the date of purchase by the board.

20 Members of the board and any officers or employees of the board are
21 not subject to personal liability or accountability by reason of the
22 purchase of the loan under this subsection.

23 SECTION 17. IC 5-14-3-4, AS AMENDED BY P.L.210-2005,
24 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2006]: Sec. 4. (a) The following public records are excepted
26 from section 3 of this chapter and may not be disclosed by a public
27 agency, unless access to the records is specifically required by a state
28 or federal statute or is ordered by a court under the rules of discovery:

29 (1) Those declared confidential by state statute.

30 (2) Those declared confidential by rule adopted by a public agency
31 under specific authority to classify public records as confidential
32 granted to the public agency by statute.

33 (3) Those required to be kept confidential by federal law.

34 (4) Records containing trade secrets.

35 (5) Confidential financial information obtained, upon request, from
36 a person. However, this does not include information that is filed
37 with or received by a public agency pursuant to state statute.

38 (6) Information concerning research, including actual research
39 documents, conducted under the auspices of an institution of
40 higher education, including information:

41 (A) concerning any negotiations made with respect to the
42 research; and

43 (B) received from another party involved in the research.

44 (7) Grade transcripts and license examination scores obtained as
45 part of a licensure process.

46 (8) Those declared confidential by or under rules adopted by the



supreme court of Indiana.

(9) Patient medical records and charts created by a provider, unless the patient gives written consent under IC 16-39.

(10) Application information declared confidential by the twenty-first century research and technology fund board under IC 4-4-5.1.

(11) A photograph, a video recording, or an audio recording of an autopsy, except as provided in IC 36-2-14-10.

(12) A Social Security number contained in the records of a public agency.

(b) Except as otherwise provided by subsection (a), the following public records shall be excepted from section 3 of this chapter at the discretion of a public agency:

(1) Investigatory records of law enforcement agencies. However, certain law enforcement records must be made available for inspection and copying as provided in section 5 of this chapter.

(2) The work product of an attorney representing, pursuant to state employment or an appointment by a public agency:

(A) a public agency;

(B) the state; or

(C) an individual.

(3) Test questions, scoring keys, and other examination data used in administering a licensing examination, examination for employment, or academic examination before the examination is given or if it is to be given again.

(4) Scores of tests if the person is identified by name and has not consented to the release of the person's scores.

(5) The following:

(A) Records relating to negotiations between the Indiana economic development corporation, the Indiana ~~development~~ finance authority, the film commission, the Indiana business modernization and technology corporation, or economic development commissions with industrial, research, or commercial prospects, if the records are created while negotiations are in progress.

(B) Notwithstanding clause (A), the terms of the final offer of public financial resources communicated by the Indiana economic development corporation, the Indiana ~~development~~ finance authority, the Indiana film commission, the Indiana business modernization and technology corporation, or economic development commissions to an industrial, a research, or a commercial prospect shall be available for inspection and copying under section 3 of this chapter after negotiations with that prospect have terminated.

(C) When disclosing a final offer under clause (B), the Indiana economic development corporation shall certify that the



- 1 information being disclosed accurately and completely
 2 represents the terms of the final offer.
- 3 (6) Records that are intra-agency or interagency advisory or
 4 deliberative material, including material developed by a private
 5 contractor under a contract with a public agency, that are
 6 expressions of opinion or are of a speculative nature, and that are
 7 communicated for the purpose of decision making.
- 8 (7) Diaries, journals, or other personal notes serving as the
 9 functional equivalent of a diary or journal.
- 10 (8) Personnel files of public employees and files of applicants for
 11 public employment, except for:
- 12 (A) the name, compensation, job title, business address, business
 13 telephone number, job description, education and training
 14 background, previous work experience, or dates of first and last
 15 employment of present or former officers or employees of the
 16 agency;
- 17 (B) information relating to the status of any formal charges
 18 against the employee; and
- 19 (C) the factual basis for a disciplinary action in which final
 20 action has been taken and that resulted in the employee being
 21 suspended, demoted, or discharged.
- 22 However, all personnel file information shall be made available to
 23 the affected employee or the employee's representative. This
 24 subdivision does not apply to disclosure of personnel information
 25 generally on all employees or for groups of employees without the
 26 request being particularized by employee name.
- 27 (9) Minutes or records of hospital medical staff meetings.
- 28 (10) Administrative or technical information that would jeopardize
 29 a record keeping or security system.
- 30 (11) Computer programs, computer codes, computer filing
 31 systems, and other software that are owned by the public agency or
 32 entrusted to it and portions of electronic maps entrusted to a public
 33 agency by a utility.
- 34 (12) Records specifically prepared for discussion or developed
 35 during discussion in an executive session under IC 5-14-1.5-6.1.
 36 However, this subdivision does not apply to that information
 37 required to be available for inspection and copying under
 38 subdivision (8).
- 39 (13) The work product of the legislative services agency under
 40 personnel rules approved by the legislative council.
- 41 (14) The work product of individual members and the partisan
 42 staffs of the general assembly.
- 43 (15) The identity of a donor of a gift made to a public agency if:
- 44 (A) the donor requires nondisclosure of the donor's identity as a
 45 condition of making the gift; or
- 46 (B) after the gift is made, the donor or a member of the donor's



- 1 family requests nondisclosure.
- 2 (16) Library or archival records:
- 3 (A) which can be used to identify any library patron; or
- 4 (B) deposited with or acquired by a library upon a condition that
- 5 the records be disclosed only:
- 6 (i) to qualified researchers;
- 7 (ii) after the passing of a period of years that is specified in the
- 8 documents under which the deposit or acquisition is made; or
- 9 (iii) after the death of persons specified at the time of the
- 10 acquisition or deposit.
- 11 However, nothing in this subdivision shall limit or affect contracts
- 12 entered into by the Indiana state library pursuant to IC 4-1-6-8.
- 13 (17) The identity of any person who contacts the bureau of motor
- 14 vehicles concerning the ability of a driver to operate a motor
- 15 vehicle safely and the medical records and evaluations made by the
- 16 bureau of motor vehicles staff or members of the driver licensing
- 17 medical advisory board regarding the ability of a driver to operate
- 18 a motor vehicle safely. However, upon written request to the
- 19 commissioner of the bureau of motor vehicles, the driver must be
- 20 given copies of the driver's medical records and evaluations.
- 21 (18) School safety and security measures, plans, and systems,
- 22 including emergency preparedness plans developed under 511
- 23 IAC 6.1-2-2.5.
- 24 (19) A record or a part of a record, the public disclosure of which
- 25 would have a reasonable likelihood of threatening public safety by
- 26 exposing a vulnerability to terrorist attack. A record described
- 27 under this subdivision includes:
- 28 (A) a record assembled, prepared, or maintained to prevent,
- 29 mitigate, or respond to an act of terrorism under IC 35-47-12-1
- 30 or an act of agricultural terrorism under IC 35-47-12-2;
- 31 (B) vulnerability assessments;
- 32 (C) risk planning documents;
- 33 (D) needs assessments;
- 34 (E) threat assessments;
- 35 (F) domestic preparedness strategies;
- 36 (G) the location of community drinking water wells and surface
- 37 water intakes;
- 38 (H) the emergency contact information of emergency responders
- 39 and volunteers;
- 40 (I) infrastructure records that disclose the configuration of
- 41 critical systems such as communication, electrical, ventilation,
- 42 water, and wastewater systems; and
- 43 (J) detailed drawings or specifications of structural elements,
- 44 floor plans, and operating, utility, or security systems, whether
- 45 in paper or electronic form, of any building or facility located on
- 46 an airport (as defined in IC 8-21-1-1) that is owned, occupied,



leased, or maintained by a public agency. A record described in this clause may not be released for public inspection by any public agency without the prior approval of the public agency that owns, occupies, leases, or maintains the airport. The public agency that owns, occupies, leases, or maintains the airport:

(i) is responsible for determining whether the public disclosure of a record or a part of a record has a reasonable likelihood of threatening public safety by exposing a vulnerability to terrorist attack; and

(ii) must identify a record described under item (i) and clearly mark the record as "confidential and not subject to public disclosure under IC 5-14-3-4(b)(19)(J) without approval of (insert name of submitting public agency)".

This subdivision does not apply to a record or portion of a record pertaining to a location or structure owned or protected by a public agency in the event that an act of terrorism under IC 35-47-12-1 or an act of agricultural terrorism under IC 35-47-12-2 has occurred at that location or structure, unless release of the record or portion of the record would have a reasonable likelihood of threatening public safety by exposing a vulnerability of other locations or structures to terrorist attack.

(20) The following personal information concerning a customer of a municipally owned utility (as defined in IC 8-1-2-1):

(A) Telephone number.

(B) Address.

(C) Social Security number.

(21) The following personal information about a complainant contained in records of a law enforcement agency:

(A) Telephone number.

(B) The complainant's address. However, if the complainant's address is the location of the suspected crime, infraction, accident, or complaint reported, the address shall be made available for public inspection and copying.

(c) Nothing contained in subsection (b) shall limit or affect the right of a person to inspect and copy a public record required or directed to be made by any statute or by any rule of a public agency.

(d) Notwithstanding any other law, a public record that is classified as confidential, other than a record concerning an adoption, shall be made available for inspection and copying seventy-five (75) years after the creation of that record.

(e) Notwithstanding subsection (d) and section 7 of this chapter:

(1) public records subject to IC 5-15 may be destroyed only in accordance with record retention schedules under IC 5-15; or

(2) public records not subject to IC 5-15 may be destroyed in the ordinary course of business.

SECTION 18. IC 5-20-1-2 IS AMENDED TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2006]: Sec. 2. As used in this chapter:

"Assisted" means, with respect to a loan:

(1) the payment by the United States or any duly authorized agency of the United States of assistance payments, interest payments, or mortgage reduction payments with respect to such loan; or

(2) the provision of insurance, guaranty, security, collateral, subsidies, or other forms of assistance or aid acceptable to the authority for the making, holding, or selling of a loan from the United States, any duly authorized agency of the United States, or any entity or corporation acceptable to the authority, other than the sponsor.

"Authority" means the Indiana housing ~~finance~~ **and community development** authority created under this chapter.

"Bonds" or "notes" means the bonds or notes authorized to be issued by the authority under this chapter.

"Development costs" means the costs approved by the authority as appropriate expenditures and credits which may be incurred by sponsors, builders, and developers of residential housing prior to commitment and initial advance of the proceeds of a construction loan or of a mortgage, including but not limited to:

(1) payments for options to purchase properties on the proposed residential housing site, deposits on contracts of purchase, or, with prior approval of the authority, payments for the purchase of such properties;

(2) legal, organizational, and marketing expenses, including payments of attorney's fees, project manager, clerical, and other incidental expenses;

(3) payment of fees for preliminary feasibility studies and advances for planning, engineering, and architectural work;

(4) expenses for surveys as to need and market analyses;

(5) necessary application and other fees;

(6) credits allowed by the authority to recognize the value of service provided at no cost by the sponsors, builders, or developers; and

(7) such other expenses as the authority deems appropriate for the purposes of this chapter.

"Governmental agency" means any department, division, public agency, political subdivision, or other public instrumentality of the state of Indiana, the federal government, any other state or public agency, or any two (2) or more thereof.

"Construction loan" means a loan to provide interim financing for the acquisition or construction of single family residential housing, including land development.

"Mortgage" or "mortgage loan" means a loan to provide permanent financing for:

(1) the rehabilitation, acquisition, or construction of single family



1 residential housing, including land development; or

2 (2) the weatherization of single family residences.

3 "Mortgage lender" means a bank, trust company, savings bank,
4 savings association, credit union, national banking association, federal
5 savings association or federal credit union maintaining an office in this
6 state, a public utility (as defined in IC 8-1-2-1), a gas utility system
7 organized under IC 8-1-11.1, an insurance company authorized to do
8 business in this state, or any mortgage banking firm or mortgagee
9 authorized to do business in this state and approved by either the
10 authority or the Department of Housing and Urban Development.

11 "Land development" means the process of acquiring land primarily
12 for residential housing construction for persons and families of low and
13 moderate income and making, installing, or constructing nonresidential
14 housing improvements, including water, sewer, and other utilities,
15 roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and
16 other installations or works, whether on or off the site, which the
17 authority deems necessary or desirable to prepare such land primarily
18 for residential housing construction.

19 "Obligations" means any bonds or notes authorized to be issued by
20 the authority under this chapter.

21 "Persons and families of low and moderate income" means persons
22 and families of insufficient personal or family income to afford
23 adequate housing as determined by the standards established by the
24 authority, and in determining such standards the authority shall take
25 into account the following:

26 (1) The amount of total income of such persons and families
27 available for housing needs.

28 (2) The size of the family.

29 (3) The cost and condition of housing facilities available in the
30 different geographic areas of the state.

31 (4) The ability of such persons and families to compete
32 successfully in the private housing market and to pay the amounts
33 at which private enterprise is providing sanitary, decent, and safe
34 housing.

35 The standards shall, however, comply with the applicable limitations
36 of section 4(b) of this chapter.

37 "Residential facility for children" means a facility:

38 (1) that provides residential services to individuals who are:

39 (A) under twenty-one (21) years of age; and

40 (B) adjudicated to be children in need of services under IC 31-34
41 (or IC 31-6-4 before its repeal) or delinquent children under
42 IC 31-37 (or IC 31-6-4 before its repeal); and

43 (2) that is:

44 (A) a child caring institution that is or will be licensed under
45 IC 12-17.4;

46 (B) a residential facility that is or will be licensed under



1 IC 12-28-5; or

2 (C) a facility that is or will be certified by the division of mental
3 health and addiction under IC 12-23.

4 "Residential facility for the developmentally disabled" means a
5 facility that is approved for use in a community residential program for
6 the developmentally disabled under IC 12-11-1.1.

7 "Residential facility for the mentally ill" means a facility that is
8 approved by the division of mental health and addiction for use in a
9 community residential program for the mentally ill under
10 IC 12-22-2-3(1), IC 12-22-2-3(2), IC 12-22-2-3(3), or IC 12-22-2-3(4).

11 "Residential housing" means a specific work or improvement
12 undertaken primarily to provide single or multiple family housing for
13 rental or sale to persons and families of low and moderate income,
14 including the acquisition, construction, or rehabilitation of lands,
15 buildings, and improvements to the housing, and such other
16 nonhousing facilities as may be incidental or appurtenant to the
17 housing.

18 "Sponsors", "builders", or "developers" means corporations,
19 associations, partnerships, limited liability companies, or other entities
20 and consumer housing cooperatives organized pursuant to law for the
21 primary purpose of providing housing to low and moderate income
22 persons and families.

23 "State" means the state of Indiana.

24 "Tenant programs and services" means services and activities for
25 persons and families living in residential housing, including the
26 following:

27 (1) Counseling on household management, housekeeping,
28 budgeting, and money management.

29 (2) Child care and similar matters.

30 (3) Access to available community services related to job training
31 and placement, education, health, welfare, and other community
32 services.

33 (4) Guard and other matters related to the physical security of the
34 housing residents.

35 (5) Effective management-tenant relations, including tenant
36 participation in all aspects of housing administration, management,
37 and maintenance.

38 (6) Physical improvements of the housing, including buildings,
39 recreational and community facilities, safety measures, and
40 removal of code violations.

41 (7) Advisory services for tenants in the creation of tenant
42 organizations which will assume a meaningful and responsible role
43 in the planning and carrying out of housing affairs.

44 (8) Procedures whereby tenants, either individually or in a group,
45 may be given a hearing on questions relating to management
46 policies and practices either in general or in relation to an



1 individual or family.

2 SECTION 19. IC 5-20-1-7 IS AMENDED TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2006]: Sec. 7. ~~State Not Liable for Obligations~~
 4 ~~of the Indiana Housing Finance Authority.~~ (a) Obligations issued under
 5 the provisions of this chapter do not constitute a debt, liability, or
 6 obligation of the state of Indiana or a pledge of the faith and credit of
 7 the state of Indiana, but shall be payable solely from the revenues or
 8 assets of the authority. Under any circumstances, general fund revenues
 9 of the state of Indiana may not be used to pay all or part of the
 10 obligations of the authority, and there is no moral obligation of the state
 11 of Indiana to pay all or part of the obligations of the authority. Each
 12 obligation issued under this chapter shall contain on the face thereof a
 13 statement to the effect that the authority shall not be obligated to pay
 14 the same nor the interest thereon except from the revenues or assets
 15 pledged therefor and that neither the faith and credit nor the taxing
 16 power of the state of Indiana is pledged to the payment of the principal
 17 of or the interest on such obligation.

18 (b) Expenses incurred by the authority in carrying out the provisions
 19 of this chapter may be made payable from funds provided pursuant to
 20 this chapter, and no liability shall be incurred by the authority under
 21 this chapter beyond the extent to which moneys shall have been so
 22 provided.

23 SECTION 20. IC 5-20-2-5 IS AMENDED TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2006]: Sec. 5. ~~Other Limitations.~~ (a) Bonds
 25 shall not be issued by a county, city, town, or consolidated city for
 26 home mortgages under this chapter if at the time of issuance and
 27 delivery there remains unexpended or uncommitted more than five
 28 percent (5%) of the net proceeds of a prior bond issued by that county,
 29 city, town, or consolidated city under this chapter.

30 (b) Bonds shall not be issued under this chapter for home mortgages
 31 in an amount in excess of twenty-five percent (25%) of the average
 32 annual amount of mortgage lending in the county or municipality in the
 33 most recent three (3) year period for which the governing body shall by
 34 ordinance determine from the Home Mortgage Disclosure Act, Public
 35 Law 94-200.

36 (c) No issue shall be approved by the ~~state Indiana~~ housing ~~finance~~
 37 **and community development** authority if the amount of the issue
 38 exceeds the total amount of bond issues permissible under this chapter
 39 in the calendar year during which the proposed bonds will be issued.
 40 The total amount of bonds permissible under this chapter in any
 41 calendar year shall be fifty dollars (\$50) multiplied by the population
 42 of the state of Indiana as determined by the most recent federal
 43 decennial census.

44 (d) There is a five percent (5%) down payment requirement. An issue
 45 meets this requirement only if seventy-five percent (75%) or more of
 46 the owner-occupied financing provided by the issue is ninety-five



percent (95%) financing. For purposes of this subsection, financing of a residence is ninety-five percent (95%) financing if such financing is ninety-five percent (95%) or more of the acquisition cost of such residence. A larger down payment is permitted in the case of alternative mortgage instruments as provided by law.

(e) No mortgage shall be made under this chapter the amount of which exceeds two and one-half (2 1/2) times the amount of the annual income of the prospective ~~mortgager~~ **mortgagor**. In addition, no financing shall be provided under this chapter to a prospective mortgagor who is already a mortgagor with respect to an existing mortgage financed under this chapter.

(f) The effective rate of interest on mortgages provided from a particular bond issue under this chapter may not exceed the yield on the issue by more than one (1) percentage point. For purposes of this subsection, the effective rate of mortgage interest and the bond yield shall be determined in accordance with reasonable procedures adopted by the ~~state Indiana~~ **housing finance and community development** authority. However, the ~~state Indiana~~ **housing finance and community development** authority may waive the restriction in this subsection if it determines that:

(1) waiver of the restriction with respect to a proposed issue is in the best interests of the citizens of the issuing jurisdiction and the state of Indiana; and

(2) the proposed issue is not marketable without waiver of the restriction.

(g) An issue meets the requirements of this section only if a preliminary official statement of such issue has been submitted to the ~~state Indiana~~ **housing finance and community development** authority, and:

(1) such authority has, within thirty (30) days after the date of such submission, issued an opinion that such issue meets the requirements of ~~sections this section and section 4 and 5~~ of this chapter; or

(2) thirty (30) days have elapsed since such submission and during this thirty (30) day period the authority has not issued an opinion that the issue does not meet the requirements of ~~sections this section and section 4 and 5~~ of this chapter.

SECTION 21. IC 5-20-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) A mutual housing association may be established as a nonprofit corporation incorporated under IC 23-7-1.1 (before its repeal on August 1, 1991) or IC 23-17 to prevent and eliminate neighborhood deterioration and to preserve neighborhood stability by:

(1) providing high quality, long term housing for families of low and moderate income; and

(2) affording community and residential involvement in the



1 provision of that housing.

2 (b) The articles of incorporation of a mutual housing association
3 must meet the requirements of the Indiana housing **finance and**
4 **community development** authority under IC 5-20-1-6 and must be
5 approved by the authority.

6 (c) The articles of incorporation of a mutual housing association must
7 include a provision that provides that if the mutual housing association
8 dissolves, is involved in a bankruptcy proceeding, or otherwise
9 disposes of its physical properties, the association may only transfer the
10 assets to another entity that provides high quality, long term housing
11 for families of low and moderate income.

12 SECTION 22. IC 5-20-3-6 IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2006]: Sec. 6. The Indiana housing **finance and**
14 **community development** authority may enter into a contract with a
15 mutual housing association to provide financial assistance for the
16 construction, rehabilitation, ownership, or operation of housing for
17 families of low and moderate income. State financial assistance may be
18 in the form of grants, loans, or a combination of grants and loans and
19 may be used for the acquisition or development of housing sites and for
20 the costs incurred in the development of the housing. Grants may not
21 exceed the development cost of the housing project.

22 SECTION 23. IC 5-20-3-7 IS AMENDED TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2006]: Sec. 7. A contract for state financial
24 assistance with a mutual housing association under section 6 of this
25 chapter must include (for each housing site) the following provisions:

26 (1) Each housing site must be managed in an efficient manner to
27 permit the fixing of the rentals at the lowest possible rates
28 consistent with providing decent, safe, and sanitary dwelling
29 accommodations.

30 (2) A mutual housing association may not construct or operate a
31 housing site for profit.

32 (3) Rental rates may not be fixed a level higher than necessary to
33 produce revenue that, together with other revenue, will be
34 sufficient to pay, as it becomes due, the principal and interest on
35 the loans made to the mutual housing authority, the maintenance
36 and operating expenses of a housing project (including insurance
37 and administrative costs), and an allowance for a reasonable return
38 on equity capital contributed to a housing project through
39 membership fees or nonstate grants. The rentals must be within the
40 financial reach of families of low income. The return on equity
41 capital must be used by the mutual housing association to develop
42 additional dwelling units.

43 (4) The mutual housing association, subject to the approval of the
44 **Indiana housing finance and community development** authority,
45 shall fix the maximum income limits for the admission and
46 continued occupancy of families in the housing. The association



shall define the income of a family to provide the basis for determining eligibility for the admission, rent, and continued occupancy of families under the maximum income limits. In defining family income, the authority may provide for the exclusion of any part of the income of family members that the authority believes generally available to meet the cost of basic living needs of the family.

(5) The mutual housing association may not refuse to rent a dwelling accommodation to an otherwise qualified applicant because one (1) or more of the proposed occupants are children born out of wedlock.

(6) The mutual housing association shall provide each applicant for admission to the housing project a receipt stating the time and date of application and shall maintain a list of the applications that must be available for public inspection. The Indiana housing ~~finance~~ **and community development** authority shall adopt rules governing the form and procedure for maintaining the list.

(7) The mutual housing association may require the payment of a membership fee as a condition of eligibility of occupancy for a dwelling unit. The fee must be refunded to a resident member, with nominal interest, when the member vacates the dwelling unit.

(8) The Indiana housing ~~finance~~ **and community development** authority shall require and must approve an operation management plan for each housing project from the mutual housing association. The plan must provide for an income adequate to pay debt service, administrative costs (including a state service charge), operating costs, and adequate reserves for repairs, maintenance, replacements, and vacancy and collection losses. In addition, the mutual housing association shall adopt a plan for the administration of a housing project that must be approved by the tenants and the **Indiana** housing ~~finance~~ **and community development** authority. The association shall provide copies of the plan to each adult tenant and to the Indiana housing ~~finance~~ **and community development** authority.

(9) The Indiana housing ~~finance~~ **and community development** authority may inspect any housing during the period of the loan or, in the case of a grant, during the period when a housing project is used to house families of low and moderate income.

(10) The mutual housing association shall semiannually submit a report to the **Indiana** housing ~~finance~~ **and community development** authority with information on operating costs, tenant information, rentals, and any other information that the Indiana housing ~~finance~~ **and community development** authority requires by rule.

(11) The mutual housing association may request permission of the Indiana housing ~~finance~~ **and community development** authority



to allow the continued occupancy of dwelling units by tenants whose annual income exceeds maximum limits or the rental of vacant units to tenants whose income exceeds maximum limits if the vacancies would result in the inability to pay debt service, administrative costs (including state service charges), operating costs, and reserve for repairs, maintenance, replacements, and collection costs. The continued occupancy or rental must be for a period of one (1) year, subject to subsequent one (1) year renewals. The mutual housing association may, subject to the approval of the Indiana housing ~~finance~~ **and community development** authority, fix rent at a higher level for tenants described in this subdivision.

(12) The difference between the increased rent and the normal rent described in subdivision (11) must be used by the mutual housing association to develop additional dwelling units or credited against the rent owed by another low or moderate income resident member of the association.

(13) The cost of options on housing sites, engineering and architectural services, and preliminary construction expenses may, subject to the approval of the Indiana housing ~~finance~~ **and community development** authority, be included as part of the cost of a project to be financed by a loan or grant.

(14) The mutual housing association may provide for variable rents based on family income.

SECTION 24. IC 5-20-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. The Indiana housing ~~finance~~ **and community development** authority may assess a mutual housing association a service charge for each loan or grant provided to the association.

SECTION 25. IC 5-20-3-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10. The Indiana housing ~~finance~~ **and community development** authority shall adopt rules under IC 4-22-2 to carry out this chapter.

SECTION 26. IC 5-20-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. As used in this chapter, "housing ~~finance~~ **and community development** authority" refers to the Indiana housing ~~finance~~ **and community development** authority established under IC 5-20-1.

SECTION 27. IC 5-20-4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) There is established the housing trust fund. The fund shall be administered by the Indiana housing ~~finance~~ **and community development** authority under the direction of the Indiana housing ~~finance~~ **and community development** authority's board.

(b) The fund consists of the following resources:

- (1) Appropriations from the general assembly.
- (2) Gifts and grants to the fund.



(3) Investment income earned on the fund's assets.

(4) Repayments of loans from the fund.

(5) Funds borrowed from the board for depositories insurance fund (IC 5-13-12-7).

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) The money remaining in the fund at the end of a fiscal year does not revert to the state general fund.

(e) Interest earned on the fund may be used by the Indiana housing **finance and community development** authority to pay expenses incurred in the administration of the fund.

SECTION 28. IC 5-20-4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. The board for depositories shall determine the terms of the loan from the board for depositories insurance fund under section 8 of this chapter that must include the following:

(1) That the duration of the loan may not exceed twenty (20) years from the date of the execution of the agreement between the Indiana housing **finance and community development** authority and the public deposit insurance fund operated by the board for depositories.

(2) The repayment schedule of the loan that:

(A) shall not require repayment of any principal; and

(B) must allow any principal to be repaid by the housing trust fund at any time;

before the end of the term for the loan.

(3) That no interest may be charged.

(4) The amount of the loan, which may not exceed five million dollars (\$5,000,000).

SECTION 29. IC 5-20-4-10.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 10.1. The Indiana housing **finance and community development** authority and the board for depositories shall establish procedures to insure repayment of the loan principal at the end of the loan term. The procedures may include purchase of a zero coupon bond to insure the loan principal, a requirement that a percentage of the loans issued by the Indiana housing **finance and community development** authority be made through a linked deposit program in certificates of deposit, or other procedures that the Indiana housing **finance and community development** authority and the board for depositories may determine appropriate.

SECTION 30. IC 5-20-4-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 11. (a) At least fifty percent (50%) of the resources of the fund shall be allocated to recognized nonprofit corporations under Section 501(c) of the Internal



Revenue Code.

(b) The resources of the fund that are not allocated under subsection (a) may be allocated to private developers of housing and private development entities as determined by the Indiana housing ~~finance~~ **and community development** authority.

SECTION 31. IC 5-20-4-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 12. Rental housing that is developed with money from the housing trust fund shall be made available for occupancy to low income families or very low income families for at least fifteen (15) years. In the event of foreclosure or equivalent action, the remaining affordability period may be waived by the Indiana housing ~~finance~~ **and community development** authority.

SECTION 32. IC 5-20-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 13. A developer of housing that uses funds from the housing trust fund shall certify to the Indiana housing ~~finance~~ **and community development** authority that the developer will comply with the following:

(1) The federal Civil Rights Act of 1968 (P.L. 90-284).

(2) The federal Fair Housing Amendments of 1988 (P.L. 100-430).

(3) The Indiana Civil Rights Law (IC 22-9-1).

SECTION 33. IC 5-20-4-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 14. The Indiana housing ~~finance~~ **and community development** authority shall establish written policies and procedures to implement this chapter. These policies and procedures shall include the following:

(1) The development of an application process for requesting financial assistance under this chapter.

(2) The establishment of a procedure for disbursing financial assistance under this chapter.

(3) The establishment of a rate of interest for a loan under this chapter.

(4) The establishment of loan underwriting criteria to protect the assets of the fund. The Indiana housing ~~finance~~ **and community development** authority shall require a lien or other security when appropriate and in the amounts the authority determines appropriate.

(5) A requirement that a financial institution holding an obligation that is guaranteed under this chapter must adequately secure the obligation.

(6) Standards requiring a local match for any assistance under this chapter and establishing the level of local match required.

(7) The establishment of a cap on the amount of financial assistance that any recipient may receive.

SECTION 34. IC 5-20-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 15. (a) The housing trust fund advisory committee is established.



(b) The committee consists of sixteen (16) members to be appointed by the governor as follows:

- (1) One (1) member of the division of mental health and addiction.
- (2) One (1) member of the division of family and children.
- (3) One (1) member of the division of disability, aging, and rehabilitative services.
- (4) One (1) member of the department of commerce.
- (5) One (1) member to represent residential real estate developers.
- (6) One (1) member to represent construction trades.
- (7) One (1) member to represent banks and other lending institutions.
- (8) One (1) member to represent the interests of persons with disabilities.
- (9) One (1) member to represent service providers.
- (10) Two (2) members to represent neighborhood groups.
- (11) One (1) member to represent low income families.
- (12) One (1) member to represent nonprofit community based organizations and community development corporations.
- (13) One (1) member to represent real estate brokers or salespersons.
- (14) One (1) member to represent the Indiana Apartment Owner's Association.
- (15) One (1) member to represent the manufactured housing industry.

At least three (3) members of the committee shall be from a city with a population of less than thirty-five thousand (35,000), a town, or a rural area.

(c) Members of the advisory committee shall serve a term of three (3) years. However, the governor may remove for cause an appointed member of the advisory committee and fill vacancies of appointed members on the advisory committee.

(d) The advisory committee shall make recommendations to the housing ~~finance~~ **and community development** authority regarding:

- (1) the development of policies and procedures under section 14 of this chapter; and
- (2) long term sources to capitalize the housing trust fund, including the following:
 - (A) Revenue from development ordinances, fees, or taxes.
 - (B) Market based or private revenue.
 - (C) Revenue generated from government programs, foundations, private individuals, or corporations.

(e) The advisory committee shall prepare and present an annual report that:

- (1) describes disbursements under the housing trust fund; and
- (2) makes recommendations to the board of the Indiana housing ~~finance~~ **and community development** authority regarding long



term sources to capitalize the housing trust fund.

SECTION 35. IC 5-20-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. As used in this chapter, "authority" means the Indiana housing **finance and community development** authority.

SECTION 36. IC 6-1.1-10-16.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 16.7. All or part of real property is exempt from property taxation if:

(1) the improvements on the real property were constructed, rehabilitated, or acquired for the purpose of providing housing to income eligible persons under the federal low income housing tax credit program under 26 U.S.C. 42;

(2) the real property is subject to an extended use agreement under 26 U.S.C. 42 as administered by the Indiana housing **finance and community development** authority; and

(3) the owner of the property has entered into an agreement to make payments in lieu of taxes under IC 36-1-8-14.2, IC 36-2-6-22, or IC 36-3-2-11.

SECTION 37. IC 6-3.1-9-1, AS AMENDED BY P.L.235-2005, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. As used in this chapter:

"Business firm" means any business entity authorized to do business in the state of Indiana that has state tax liability.

"Community services" means any type of counseling and advice, emergency assistance, medical care, recreational facilities, housing facilities, or economic development assistance to individuals, groups, or neighborhood organizations in an economically disadvantaged area.

"Crime prevention" means any activity which aids in the reduction of crime in an economically disadvantaged area.

"Economically disadvantaged area" means an enterprise zone, or any area in Indiana that is certified as an economically disadvantaged area by the Indiana housing **finance and community development** authority after consultation with the community services agency. The certification shall be made on the basis of current indices of social and economic conditions, which shall include but not be limited to the median per capita income of the area in relation to the median per capita income of the state or standard metropolitan statistical area in which the area is located.

"Education" means any type of scholastic instruction or scholarship assistance to an individual who resides in an economically disadvantaged area that enables the individual to prepare for better life opportunities.

"Enterprise zone" means an enterprise zone created under IC 5-28-15.

"Job training" means any type of instruction to an individual who resides in an economically disadvantaged area that enables the



individual to acquire vocational skills so that the individual can become employable or be able to seek a higher grade of employment.

"Neighborhood assistance" means either:

- (1) furnishing financial assistance, labor, material, and technical advice to aid in the physical or economic improvement of any part or all of an economically disadvantaged area; or
- (2) furnishing technical advice to promote higher employment in any neighborhood in Indiana.

"Neighborhood organization" means any organization, including but not limited to a nonprofit development corporation:

- (1) performing community services in an economically disadvantaged area; and
- (2) holding a ruling:
 - (A) from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation under the provisions of the Internal Revenue Code; and
 - (B) from the department of state revenue that the organization is exempt from income taxation under IC 6-2.5-5-21.

"Person" means any individual subject to Indiana gross or adjusted gross income tax.

"State fiscal year" means a twelve (12) month period beginning on July 1 and ending on June 30.

"State tax liability" means the taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and
- (2) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this chapter.

"Tax credit" means a deduction from any tax otherwise due and payable under IC 6-3 or IC 6-5.5.

SECTION 38. IC 6-3.1-9-2, AS AMENDED BY P.L.235-2005, SECTION 96, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) A business firm or a person who contributes to a neighborhood organization or who engages in the activities of providing neighborhood assistance, job training, or education for individuals not employed by the business firm or person, or for community services or crime prevention in an economically disadvantaged area shall receive a tax credit as provided in section 3 of this chapter if the Indiana housing ~~finance~~ **and community development** authority approves the proposal of the business firm or person, setting forth the program to be conducted, the area selected, the estimated amount to be invested in the program, and the plans for implementing the program.

(b) The Indiana housing ~~finance~~ **and community development**



1 authority, after consultation with the community services agency and
 2 the commissioner of revenue, may adopt rules for the approval or
 3 disapproval of these proposals.

4 SECTION 39. IC 6-3.1-9-4, AS AMENDED BY P.L.235-2005,
 5 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2006]: Sec. 4. (a) Any business firm or person which desires
 7 to claim a tax credit as provided in this chapter shall file with the
 8 department, in the form that the department may prescribe, an
 9 application stating the amount of the contribution or investment which
 10 it proposes to make which would qualify for a tax credit, and the
 11 amount sought to be claimed as a credit. The application shall include
 12 a certificate evidencing approval of the contribution or program by the
 13 Indiana housing ~~finance~~ **and community development** authority.

14 (b) The Indiana housing ~~finance~~ **and community development**
 15 authority shall give priority in issuing certificates to applicants whose
 16 contributions or programs directly benefit enterprise zones.

17 (c) The department shall promptly notify an applicant whether, or the
 18 extent to which, the tax credit is allowable in the state fiscal year in
 19 which the application is filed, as provided in section 5 of this chapter.
 20 If the credit is allowable in that state fiscal year, the applicant shall
 21 within thirty (30) days after receipt of the notice file with the
 22 department of state revenue a statement, in the form and accompanied
 23 by the proof of payment as the department may prescribe, setting forth
 24 that the amount to be claimed as a credit under this chapter has been
 25 paid to an organization for an approved program or purpose, or
 26 permanently set aside in a special account to be used solely for an
 27 approved program or purpose.

28 (d) The department may disallow any credit claimed under this
 29 chapter for which the statement or proof of payment is not filed within
 30 the thirty (30) day period.

31 SECTION 40. IC 8-9.5-9-2, AS AMENDED BY P.L.214-2005,
 32 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2006]: Sec. 2. As used in this chapter, "authority" means:

34 (1) an authority or agency established under IC 8-1-2.2 or IC 8-9.5
 35 through IC 8-23;

36 (2) when acting under an affected statute (as defined in
 37 IC 4-4-10.9-1.2), the Indiana finance authority established by
 38 IC 4-4-11;

39 (3) only in connection with a program established under
 40 IC 13-18-13 or IC 13-18-21, the bank established under IC 5-1.5;

41 (4) a fund or program established under IC 13-18-13 or
 42 IC 13-18-21;

43 (5) the Indiana health and educational facility financing authority
 44 established by IC 5-1-16;

45 (6) the Indiana housing ~~finance~~ **and community development**
 46 authority established by IC 5-20-1;



(7) the authority established under IC 4-4-11; or

(8) the authority established under IC 5-1-17.

SECTION 41. IC 8-14.5-7-1, AS ADDED BY P.L.246-2005, SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. As used in this chapter, "authority" refers to the Indiana ~~transportation~~ finance authority or its successor.

SECTION 42. IC 9-21-5-2, AS AMENDED BY P.L.151-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. Except when a special hazard exists that requires lower speed for compliance with section 1 of this chapter, the slower speed limit specified in this section or established as authorized by section 3 of this chapter is the maximum lawful speed. A person may not drive a vehicle on a highway at a speed in excess of the following maximum limits:

(1) Thirty (30) miles per hour in an urban district.

(2) Fifty-five (55) miles per hour, except as provided in subdivisions (1), (3), (4), (5), (6), and (7).

(3) Seventy (70) miles per hour on a highway on the national system of interstate and defense highways located outside of an urbanized area (as defined in 23 U.S.C. 101) with a population of at least fifty thousand (50,000), except as provided in subdivision (4).

(4) Sixty-five (65) miles per hour for a vehicle (other than a bus) having a declared gross weight greater than twenty-six thousand (26,000) pounds on a highway on the national system of interstate and defense highways located outside an urbanized area (as defined in 23 U.S.C. 101) with a population of at least fifty thousand (50,000).

(5) Sixty-five (65) miles per hour on:

(A) U.S. 20 from the intersection of U.S. 20 and County Road 17 in Elkhart County to the intersection of U.S. 20 and U.S. 31 in St. Joseph County;

(B) U.S. 31 from the intersection of U.S. 31 and U.S. 20 in St. Joseph County to the boundary line between Indiana and Michigan; and

(C) a highway classified by the Indiana department of transportation as an INDOT Freeway.

(6) On a highway that is the responsibility of the Indiana ~~transportation~~ finance authority established by ~~IC 8-9.5-8-2~~ IC 4-4-11:

(A) seventy (70) miles per hour for:

(i) a motor vehicle having a declared gross weight of not more than twenty-six thousand (26,000) pounds; or

(ii) a bus; or

(B) sixty-five (65) miles per hour for a motor vehicle having a declared gross weight greater than twenty-six thousand (26,000)



- 1 pounds.
- 2 (7) Sixty (60) miles per hour on a highway that:
- 3 (A) is not designated as a part of the national system of interstate
- 4 and defense highways;
- 5 (B) has four (4) or more lanes;
- 6 (C) is divided into two (2) or more roadways by:
- 7 (i) an intervening space that is unimproved and not intended
- 8 for vehicular travel;
- 9 (ii) a physical barrier; or
- 10 (iii) a dividing section constructed to impede vehicular traffic;
- 11 and
- 12 (D) is located outside an urbanized area (as defined in 23 U.S.C.
- 13 101) with a population of at least fifty thousand (50,000).
- 14 (8) Fifteen (15) miles per hour in an alley.
- 15 SECTION 43. IC 23-2-5-19 IS AMENDED TO READ AS
- 16 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 19. (a) The following
- 17 persons are exempt from the requirements of sections 4, 5, 6, 9, 17, 18,
- 18 and 21 of this chapter:
- 19 (1) Any attorney while engaging in the practice of law.
- 20 (2) Any certified public accountant, public accountant, or
- 21 accountant practitioner holding a certificate or registered under
- 22 IC 25-2.1 while performing the practice of accountancy (as defined
- 23 by IC 25-2.1-1-10).
- 24 (3) Any person licensed as a real estate broker or salesperson under
- 25 IC 25-34.1 to the extent that the person is rendering loan related
- 26 services in the ordinary course of a transaction in which a license
- 27 as a real estate broker or salesperson is required.
- 28 (4) Any broker-dealer, agent, or investment advisor registered
- 29 under IC 23-2-1.
- 30 (5) Any person that:
- 31 (A) procures;
- 32 (B) promises to procure; or
- 33 (C) assists in procuring;
- 34 a loan that is not subject to the Truth in Lending Act (15 U.S.C.
- 35 1601 through 1667e).
- 36 (6) Any community development corporation (as defined in
- 37 IC 4-4-28-2) acting as a subrecipient of funds from the Indiana
- 38 housing ~~finance~~ **and community development** authority
- 39 established by IC 5-20-1-3.
- 40 (7) The Indiana housing ~~finance~~ **and community development**
- 41 authority.
- 42 (8) Any person authorized to:
- 43 (A) sell and service a loan for the Federal National Mortgage
- 44 Association or the Federal Home Loan Mortgage Association;
- 45 (B) issue securities backed by the Government National
- 46 Mortgage Association;



(C) make loans insured by the United States Department of Housing and Urban Development or the United States Department of Agriculture Rural Housing Service;

(D) act as a supervised lender or nonsupervised automatic lender of the United States Department of Veterans Affairs; or

(E) act as a correspondent of loans insured by the United States Department of Housing and Urban Development.

(9) Any person who is a creditor, or proposed to be a creditor, for any loan.

(b) As used in this chapter, "bona fide third party fee" includes fees for the following:

(1) Credit reports, investigations, and appraisals performed by a person who holds a license or certificate as a real estate appraiser under IC 25-34.1-8.

(2) If the loan is to be secured by real property, title examinations, an abstract of title, title insurance, a property survey, and similar purposes.

(3) The services provided by a loan broker in procuring possible business for a lending institution if the fees are paid by the lending institution.

(c) As used in this section, "successful procurement of a loan" means that a binding commitment from a creditor to advance money has been received and accepted by the borrower.

(d) The burden of proof of any exemption or classification provided in this chapter is on the party claiming the exemption or classification.

SECTION 44. IC 24-4.5-1-202 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 202. This article does not apply to the following:

(1) Extensions of credit to government or governmental agencies or instrumentalities.

(2) The sale of insurance by an insurer, except as otherwise provided in the chapter on insurance (IC 24-4.5-4).

(3) Transactions under public utility, municipal utility, or common carrier tariffs if a subdivision or agency of this state or of the United States regulates the charges for the services involved, the charges for delayed payment, and any discount allowed for early payment.

(4) The rates and charges and the disclosure of rates and charges of a licensed pawnbroker established in accordance with a statute or ordinance concerning these matters.

(5) A sale of goods, services, or an interest in land in which the goods, services, or interest in land are purchased primarily for a purpose other than a personal, family, or household purpose.

(6) A loan in which the debt is incurred primarily for a purpose other than a personal, family, or household purpose.

(7) An extension of credit primarily for a business, a commercial,



1 or an agricultural purpose.

2 (8) An installment agreement for the purchase of home fuels in
3 which a finance charge is not imposed.

4 (9) Loans made, insured, or guaranteed under a program
5 authorized by Title IV of the Higher Education Act of 1965 (20
6 U.S.C. 1070 et seq.).

7 (10) Transactions in securities or commodities accounts in which
8 credit is extended by a broker-dealer registered with the Securities
9 and Exchange Commission or the Commodity Futures Trading
10 Commission.

11 (11) A loan made:

12 (A) in compliance with the requirements of; and

13 (B) by a community development corporation (as defined in
14 IC 4-4-28-2) acting as a subrecipient of funds from;

15 the Indiana housing ~~finance~~ **and community development**
16 authority established by IC 5-20-1-3.

17 SECTION 45. IC 24-9-1-1 IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2006]: Sec. 1. Except for IC 24-9-3-7(3), this
19 article does not apply to:

20 (1) a loan made or acquired by a person organized or chartered
21 under the laws of this state, any other state, or the United States
22 relating to banks, trust companies, savings associations, savings
23 banks, credit unions, or industrial loan and investment companies;
24 or

25 (2) a loan:

26 (A) that can be purchased by the Federal National Mortgage
27 Association, the Federal Home Loan Mortgage Association, or
28 the Federal Home Loan Bank;

29 (B) to be insured by the United States Department of Housing
30 and Urban Development;

31 (C) to be guaranteed by the United States Department of
32 Veterans Affairs;

33 (D) to be made or guaranteed by the United States Department
34 of Agriculture Rural Housing Service;

35 (E) to be funded by the Indiana housing ~~finance~~ **and community**
36 **development** authority; or

37 (F) with a principal amount that exceeds the conforming loan
38 size limit for a single family dwelling as established by the
39 Federal National Mortgage Association.

40 SECTION 46. IC 24-9-7-2 IS AMENDED TO READ AS FOLLOWS
41 [EFFECTIVE JULY 1, 2006]: Sec. 2. Political subdivisions may not:

42 (1) enact, issue, or enforce ordinances, resolutions, regulations,
43 orders, requests for proposals, or requests for bids pertaining to
44 financial or lending activities, including ordinances, resolutions,
45 and rules that disqualify persons from doing business with a
46 municipality and that are based upon lending terms or practices; or



(2) impose reporting requirements or any other obligations upon persons regarding financial services or lending practices or upon subsidiaries or affiliates that:

(A) are subject to the jurisdiction of the department of financial institutions;

(B) are subject to the jurisdiction or regulatory supervision of the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration, the Federal Deposit Insurance Corporation, the Federal Trade Commission, or the United States Department of Housing and Urban Development;

(C) are chartered by the United States Congress to engage in secondary market mortgage transactions;

(D) are created by the Indiana housing ~~finance~~ **and community development** authority; or

(E) originate, purchase, sell, assign, securitize, or service property interests or obligations created by financial transactions or loans made, executed, originated, or purchased by persons referred to in clauses (A), (B), (C), or (D).

SECTION 47. IC 34-30-2-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 15. IC 5-20-1-19 (Concerning members and officers of the Indiana housing ~~finance~~ **and community development** authority).

SECTION 48. IC 36-7.5-4-3, AS ADDED BY P.L.214-2005, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) Subject to subsection (h), the development authority may issue bonds for the purpose of obtaining money to pay the cost of:

(1) acquiring real or personal property, including existing capital improvements;

(2) acquiring, constructing, improving, reconstructing, or renovating one (1) or more projects; or

(3) funding or refunding bonds issued under this chapter or IC 8-5-15, IC 8-22-3, IC 36-7-13.5, or IC 36-9-3 or prior law.

(b) The bonds are payable solely from:

(1) the lease rentals from the lease of the projects for which the bonds were issued, insurance proceeds, and any other funds pledged or available; and

(2) except as otherwise provided by law, revenue received by the development authority and amounts deposited in the development authority fund.

(c) The bonds shall be authorized by a resolution of the development board.

(d) The terms and form of the bonds shall either be set out in the resolution or in a form of trust indenture approved by the resolution.



- 1 (e) The bonds shall mature within forty (40) years.
- 2 (f) The board shall sell the bonds only to the Indiana ~~development~~
3 finance authority established by IC 4-4-11-4 upon the terms determined
4 by the development board and the Indiana ~~development~~ finance
5 authority.
- 6 (g) All money received from any bonds issued under this chapter
7 shall be applied solely to the payment of the cost of acquiring,
8 constructing, improving, reconstructing, or renovating one (1) or more
9 projects, or the cost of refunding or refinancing outstanding bonds, for
10 which the bonds are issued. The cost may include:
 - 11 (1) planning and development of equipment or a facility and all
12 buildings, facilities, structures, equipment, and improvements
13 related to the facility;
 - 14 (2) acquisition of a site and clearing and preparing the site for
15 construction;
 - 16 (3) equipment, facilities, structures, and improvements that are
17 necessary or desirable to make the project suitable for use and
18 operations;
 - 19 (4) architectural, engineering, consultant, and attorney's fees;
 - 20 (5) incidental expenses in connection with the issuance and sale of
21 bonds;
 - 22 (6) reserves for principal and interest;
 - 23 (7) interest during construction;
 - 24 (8) financial advisory fees;
 - 25 (9) insurance during construction;
 - 26 (10) municipal bond insurance, debt service reserve insurance,
27 letters of credit, or other credit enhancement; and
 - 28 (11) in the case of refunding or refinancing, payment of the
29 principal of, redemption premiums (if any) for, and interest on, the
30 bonds being refunded or refinanced.
- 31 (h) The development authority may not issue bonds under this article
32 unless the development authority first finds that each contract for the
33 construction of a facility and all buildings, facilities, structures, and
34 improvements related to that facility to be financed in whole or in part
35 through the issuance of the bonds requires payment of the common
36 construction wage required by IC 5-16-7.

